



To the Mayor and Members of the City Council

June 14, 2016

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SUBJECT: OUTSTANDING CALLABLE DEBT

This Informal Report has been provided in order to present to the Mayor and City Council information on the City of Fort Worth's existing outstanding callable debt. The information has been organized in two different ways – by type and by fiscal year.

Background

Most municipal bond issues are structured with an Optional Call Provision, which allows the issuer to refund/refinance the existing bonds by purchasing the outstanding bonds at a pre-determined price, using dollars obtained from the sale of new refunding bonds. The Optional Call Date is typically 10 years from the date of issuance of the bonds. Refundings are commonly executed to achieve interest cost savings, remove or change burdensome bond covenants, or restructure the stream of debt service payments to better align with the multi-year financial plan.

Debt Practices

It is the policy of the City that staff continually monitors the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. Because the IRS limits the number of tax-exempt refundings, as a general rule, the City has a goal that the present value savings of a particular advance refunding (i.e., bonds that are paid off on a date that is more than 90 days after the date the refunding bonds are issued) should exceed 3.5% of the par amount of the refunded maturities. Once the 3.5% savings threshold is met, the refunding candidates are considered "in the money" and will be evaluated for possible refunding.

Callable Debt as of April 15, 2016

	Callable Principal	Callable Maturities	Call Date
<u>Governmental Activities Long term debt</u>			
General Obligation Bonds:			
Series 2009 ⁽¹⁾	42,580,000	2020 - 2029	3/1/2019
Series 2010	10,300,000	2021 - 2030	3/1/2020
Series 2011 Refunding	8,625,000	2022 - 2023	3/1/2021
Series 2012 Refunding	72,775,000	2023 - 2032	3/1/2022
Series 2014 Refunding	5,650,000	2024 - 2033	3/1/2023
Series 2015A Refunding	33,050,000	2026 - 2035	3/1/2025
Certificates of Obligation:			
Series 2009	19,905,000	2020 - 2029	3/1/2019
Series 2010	22,360,000	2021 - 2031	3/1/2020



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Series 2010A	14,675,000	2021 - 2030	3/1/2020
Series 2012	41,045,000	2023 - 2032	3/1/2022
Series 2013A	21,050,000	2024 - 2033	3/1/2023
Series 2013B	6,635,000	2024 - 2033	3/1/2023
Series 2013C	10,075,000	2024 - 2023	3/1/2023

Business-type long term debt

Water and Sewer:

Revenue Bonds:

Series 2005 TWDB	385,000	2017	Callable
Series 2005B TWDB ⁽¹⁾	34,335,000	2017 - 2025	Callable
Series 2007A TWDB	19,380,000	2018 - 2027	9/1/2017
Series 2007B TWDB	29,315,000	2018 - 2027	9/1/2017
Series 2008 Refunding	19,800,000	2019 - 2024	2/15/2018
Series 2009 TWDB	11,405,000	2017 - 2030	2/15/2011
Series 2010ATWDB	21,620,000	2021 - 2030	8/15/2020
Series 2010B	15,175,000	2021 - 2030	8/15/2020
Series 2010C	27,310,000	2021 - 2030	2/15/2020
Series 2011 Refunding	67,715,000	2022 - 2031	2/15/2021
Series 2012 Refunding	9,895,000	2023 - 2025	2/15/2022
Series 2014 Refunding	82,375,000	2025 - 2034	2/15/2024
Series 2015 Rev SRF	20,475,000	2026 - 2035	8/15/2025
Series 2015A Refunding	51,540,000	2026 - 2035	2/15/2025
Series 2015B	3,800,000	2027 - 2030	2/15/2026

Municipal Parking:

Certificates of Obligation

Series 2007 ⁽¹⁾	16,620,000	2018 - 2033	3/1/2017
Series 2009 ⁽¹⁾	21,480,000	2020 - 2033	3/1/2019

Stormwater Utility:

Revenue Bonds:

Series 2007 ⁽¹⁾	18,500,000	2018 - 2033	2/15/2017
Series 2009	33,820,000	2020 - 2035	2/15/2019
Series 2011	55,330,000	2022 - 2036	2/15/2021



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Callable Debt Per Year

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
GO				\$ 62,485,000
CO		16,620,000 ⁽¹⁾		21,480,000 ⁽¹⁾
W&S	34,720,000 ⁽¹⁾	48,695,000	19,800,000	
Drainage		18,500,000 ⁽¹⁾		33,820,000
	<u>\$ 34,720,000</u>	<u>\$ 83,815,000</u>	<u>\$ 19,800,000</u>	<u>\$ 117,785,000</u>
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
GO	\$ 10,300,000	\$ 8,625,000	\$ 72,775,000	\$ 5,650,000
CO	\$ 37,035,000		\$ 41,045,000	\$ 37,760,000
W&S	64,105,000	67,715,000	9,895,000	
Drainage		55,330,000		
	<u>\$ 111,440,000</u>	<u>\$ 131,670,000</u>	<u>\$ 123,715,000</u>	<u>\$ 43,410,000</u>
	<u>2024</u>	<u>2025</u>	<u>2026</u>	
GO		\$ 33,050,000		
CO				
W&S	82,375,000	72,015,000	3,800,000	
Drainage				
	<u>\$ 82,375,000</u>	<u>\$ 105,065,000</u>	<u>\$ 3,800,000</u>	

(1) A portion of this debt is being refunded as part of the 2016 bond transactions

If you have any questions, please call Aaron Bovos, Chief Financial Officer, at 817-392-8517.

David Cooke
City Manager